

**CITY COURT OF PORT ALLEN,
LOUISIANA**

**A COMPONENT UNIT OF
THE CITY OF PORT ALLEN, LOUISIANA**

FINANCIAL REPORT

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/13/11

CITY COURT OF PORT ALLEN, LOUISIANA

Table of Contents

December 31, 2010

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements (GWFS)	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements (FFS)	
Balance Sheet – Governmental Fund	14
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	15
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities	17
Statement of Fiduciary Net Assets	18
Statement of Changes in Fiduciary Net Assets	19
Notes to Financial Statements	20
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenses and Changes in Fund Balance - Budget and Actual - (Non-GAAP Budgetary Basis) - Governmental Fund Type – General Fund	<i>Schedule I</i> 29
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACORDANCE WITH GOVERNMENT AUDITING STANDARDS	31



CALVIN L. ROBBINS, JR.

CERTIFIED PUBLIC ACCOUNTANT

(A PROFESSIONAL CORPORATION)

INDEPENDENT AUDITOR'S REPORT

To the Honorable William T. Kleinpeter, Judge
City Court of Port Allen, Louisiana
Port Allen, Louisiana

I have audited the basic financial statements of the City Court of Port Allen, Louisiana, a component unit of the City of Port Allen as of and for the year ended December 31, 2010, as listed in the foregoing table of contents. These financial statements are the responsibility of the City Court of Port Allen, Louisiana's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the City Court of Port Allen, Louisiana as of December 31, 2010, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States Of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 25, 2011 on my consideration of the City Court of Port Allen, Louisiana internal control over financial reporting, and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

City Court of Port Allen, Louisiana

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and budgetary comparison information on page 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Certified Public Accountant
(A Professional Corporation)

June 25, 2011
Baton Rouge, Louisiana

CITY COURT OF PORT ALLEN, LOUISIANA

December 31, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City Court of Port Allen provides an overview of the Court's activities for the year ended December 31, 2010. Please read it in conjunction with the Court's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010 fiscal year include the following:

- The Court's net assets increased by \$72,414.
- Program revenues of the Court were \$425,086.
- The total expenditures/expenses of the Court were \$354,493.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Court's basic financial statements. The Court's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. These components are described below:

BASIC FINANCIAL STATEMENTS

The basic financial statements include two kinds of financial statements that present different views of the Court – the *Government-wide Financial Statements* and *Fund Financial Statements*. These financial statements also include the *Notes to the Financial Statements* that explain some of the information in the financial statements and provide additional detail.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Court's operations in a manner similar to a private-sector business. The statements provide both short-term and long-term information about the Court's financial position, which assists users in assessing the Court's economic condition at the end of the year. These statements are prepared using the economic resources measurement

CITY COURT OF PORT ALLEN, LOUISIANA

December 31, 2010

focus and the accrual basis of accounting similar to methods used by most businesses. These statements report all revenues and expenditures connected with the year even if cash has not been received or paid. The Court's financial statements contain only governmental activities. The government-wide financial statements include two statements.

- The **Statement of Net Assets** presents all of the Court's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the Court's net assets may serve as a useful indicator of whether the financial position of the Court is improving or deteriorating.
- The **Statement of Activities** presents information showing how the Court's net assets changed during the most recent year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Court are divided into two categories: governmental funds and fiduciary funds.

- **Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the year. This approach is known as using the flow of financial resources measurement focus and the modified accrual basis of accounting. These statements provide a detailed short-term view of the Court's finances and assists in determining whether

CITY COURT OF PORT ALLEN, LOUISIANA

December 31, 2010

there will be adequate financial resources available to meet the current needs of the Court.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statement. By doing so, users may better understand the long-term impact of the Court's near-term financing decisions. Due to the nature of the operations there were no differences between the fund financial statements and the government-wide financial statements.

- **Fiduciary Funds.** Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the court are agency funds. The agency funds account for assets held by the court as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

The Court has one governmental fund and two fiduciary funds.

The funds financial statements can be found immediately following the government-wide financial statements.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

CITY COURT OF PORT ALLEN, LOUISIANA

December 31, 2010

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

Net Assets

Net assets may serve over time as a useful indicator of the Court's financial position. The Court's assets exceed liabilities by \$425,413 and \$352,999 as of December 31, 2010 and 2009, respectively.

	Governmental Activities	
	2010	2009
Assets	\$ 450,377	\$ 379,935
Liabilities	24,964	26,936
Total Net Assets	\$ 425,413	\$ 352,999

Change in Net Assets

The Court's net assets increased by \$72,414 (21%) during the year ended December 31, 2010 compared to an increase of \$61,755 (21%) during the prior year. The percentage of the Court's total revenues derived from program revenue during the current year increased by \$43,354 (11%). Expenses increased \$31,852 (10%) due primarily to an increase in both staff salaries of \$26,561 and miscellaneous expenditures of \$5,877.

	Governmental Activities	
	2010	2009
Revenues		
Program Revenues:		
General government-Judiciary	\$ 425,086	\$ 381,732
General Revenues:		
Investment Income	1,821	2,664
Total Revenues	426,907	384,396
Total Expenses - Judiciary	354,493	322,641
Increase in Net Assets	72,414	61,755
Net Assets - Beginning of Year	352,999	291,244
Net Assets - End of Year	\$ 425,413	\$ 352,999

CITY COURT OF PORT ALLEN, LOUISIANA

December 31, 2010

FINANCIAL ANALYSIS OF THE COURT'S INDIVIDUAL FUNDS

As noted earlier, the Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Court's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As a measure of the Court's liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 117% of total fund expenditures.

The fund balance of the Court increased by \$78,860 during the current year.

BUDGETARY HIGHLIGHTS

The Court received \$11,739 under budgeted revenues, with the majority of this deficiency generated by an unfavorable variance in court fees, fines, and cost of \$8,756. Total expenditures were \$30,599 less than the budget, largely due to general and administrative and office expense and maintenance costs being less than anticipated.

CITY COURT OF PORT ALLEN, LOUISIANA

December 31, 2010

CAPITAL ASSETS

The District's investment in capital assets as of December 31, 2010, amounts to \$18,297 (net of accumulated depreciation of \$59,926). This investment in capital assets includes leasehold improvements and office furniture and equipment. The total decrease in the District's investment in capital assets for 2010 was \$6,445 (26%).

DISTRICT'S CAPITAL ASSETS (net of accumulated depreciation)

	2010	2009
Equipment	\$ 1,964	\$ 6,122
Furniture & Fixtures	6,026	7,954
Leasehold Improvements	10,307	10,666
Total Net Assets	<u>\$ 18,297</u>	<u>\$ 24,742</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Management is unable to predict revenue as it is dependent on the level of tickets issued and the civil proceeding filed with the Court. Therefore, the budget for the year ending December 31, 2011 is set based on the actual revenue and expenditures of the previous year.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to William Kleinpeter, Judge, City Court of Port Allen, Louisiana at 330S. Alexander Avenue, Port Allen, LA 70767.

CITY COURT OF PORT ALLEN, LOUISIANA

Basic Financial Statements

December 31, 2010

CITY COURT OF PORT ALLEN, LOUISIANA

Government-Wide Financial Statements

December 31, 2010

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Net Assets

December 31, 2010

ASSETS

Cash	\$ 227,357
Certificates of Deposit	144,097
Investments	41,592
Due from other funds	19,034
Capital assets, net	<u>18,297</u>
Total Assets	<u>450,377</u>

LIABILITIES

Due to other governments	18,177
Accrued expenses	<u>6,787</u>
Total Liabilities	<u>24,964</u>

NET ASSETS

Invested in capital assets	18,297
Unrestricted	<u>407,116</u>
Total Net Assets	<u>\$ 425,413</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2010

	Governmental		
	Program Revenues	Charges for Services, Fines, and Forfeitures	Activities Net Revenues and Changes in Net Assets
Expenses			
Functions/programs			
General government-Judiciary	354,493	425,086	\$ 70,593
General revenues:			
Investment income			1,821
Change in net assets			72,414
Net assets - beginning			352,999
Net assets - ending			\$ 425,413

CITY COURT OF PORT ALLEN, LOUISIANA

Fund Financial Statements

December 31, 2010

CITY COURT OF PORT ALLEN, LOUISIANA

Balance Sheet-Governmental Fund**December 31, 2010****ASSETS**

Current Assets

Cash	\$ 227,357
Certificates of Deposit	144,097
Investments	41,592
Due from other funds	<u>19,034</u>
Total Assets	<u>\$ 432,080</u>

LIABILITIES AND FUND BALANCE

Current Liabilities

Due to other governments	\$ 18,177
Accrued expenses	<u>6,787</u>
Total Liabilities	24,964

Fund Balance

Unreserved, reported in general fund	<u>407,116</u>
Total Liabilities and Fund Balance	<u>\$ 432,080</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets

December 31, 2010

Total fund balance for the governmental fund at December 31, 2010 **\$ 407,116**

Total net assets reported for governmental activities in the statement
of net assets is different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the fund. Those
assets consist of :

Furniture, equipment and leasehold improvements, net of
accumulated depreciation of \$ 59,926 **18,297**

Total net assets of governmental activities at December 31, 2010 **\$ 425,413**

CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Revenues, Expenditures, and

Year Ended December 31, 2010

Changes in Fund Balance - Governmental Fund

REVENUES

Court fees	\$ 271,244
Intergovernmental	153,842
Investment income	<u>1,821</u>
Total revenues	<u>426,907</u>

EXPENDITURES

General and administration	59,078
Travel	13,659
Dues and Subscriptions	1,045
Office expense and maintenance	19,872
Personnel expenses	<u>254,393</u>
Total expenditures	<u>348,047</u>

Net change in fund balance	78,860
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Fund balance, beginning	<u>328,256</u>
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Fund balance, ending	<u><u>\$ 407,116</u></u>
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CITY COURT OF PORT ALLEN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Fund to the Statement of Activities

For the Year Ended December 31, 2010

Total net change in fund balance at December 31, 2010 per statement of revenues, expenditures and changes in fund balance	\$ 78,860
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The change in net assets reported for the governmental activities in the
statement of activities is different because:

Depreciation expense	(6,293)
Loss on disposition	<u>(153)</u>

Total net change in net assets of governmental activities at December 31, 2010	<u>\$ 72,414</u>
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CITY COURT OF PORT ALLEN, LOUISIANA

Statement of Fiduciary Net Assets**December 31, 2010**

	Fines, Fees and Court Cost	Civil	Total
Assets			
Cash	\$ 95,549	\$ 40,068	\$ 135,617
Liabilities			
Held for others pending court action	31,284	34,335	65,619
Due to other funds	15,599	3,434	19,033
Due to other governments	48,666	2,299	50,965
Total liabilities	95,549	40,068	135,617
accumulated depreciation of \$59,926			
Net Assets	\$ -	\$ -	\$ -

CITY COURT OF PORT ALLEN, LOUISIANA

**Statement of Changes in
Fiduciary Net Assets****For the Year Ended December 31, 2010**

	Fines, Fees and Court Cost	Civil	Total
Additions			
Deposits	<u>\$ 1,123,486</u>	<u>\$ 67,529</u>	<u>\$ 1,191,015</u>
Deductions			
Deposits settled to:			
Intergovernmental	852,242	4,390	856,632
Personnel services	-	62,431	62,431
General and administration	-	72	72
Postage	-	636	636
Transfer to general fund	<u>271,244</u>	<u>-</u>	<u>271,244</u>
Total deductions	<u>1,123,486</u>	<u>67,529</u>	<u>1,191,015</u>
Change in net assets	-	-	-
Net assets at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements

December 31, 2010

INTRODUCTION

The City Court of Port Allen, Louisiana (the "City Court") was established by the State of Louisiana. It has jurisdiction over all of Ward III in West Baton Rouge Parish. The City Court is governed by one Judge. The City Court maintains a courtroom and offices in Port Allen, Louisiana. Revenues for the City Court include court costs assessed on civil and criminal cases handled by the Court and other revenues. Major expenditures of the City Court include personnel services and other expenditures.

1. Summary of Significant Accounting Policies

Basis of Presentation. The accompanying basic financial statements of the City Court of Port Allen, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Codification Sec. 2600, *Reporting Entity and Component Unit Presentation and Disclosure*.

Reporting Entity. The city court judge is an independently elected official. However, the city court is fiscally dependent on the City of Port Allen, Louisiana for office space, courtrooms, and related utility costs, as well as partial funding of salary costs. Because the city court is fiscally dependent on the city, the city court was determined to be a component unit of the City of Port Allen, Louisiana, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the city court and do not present information on the City of Port Allen, Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting. The Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain court functions and activities. A fund is defined as a separate accounting entity with a self-balancing set of accounts.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2010

Governmental Funds. Governmental funds account for all or most of the City Court's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the governmental fund according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the City Court. The following is the City Court's governmental fund:

General Fund. The general fund is the primary operating fund of the court and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to court policy.

Fiduciary Fund. Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the court are agency funds. The agency funds account for assets held by the court as an agent for litigants pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

Measurement Focus/Basis of Accounting.

Government-Wide Financial Statements (GWFS). The Statement of Net Assets and Statement of Activities display information about the City Court's office as a whole. These statements include all the financial activities of the City Court's office. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Codification Sec. N50, *Nonexchange Transactions*.

Program Revenues. Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the City Court's office general revenues.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2010

Fund Financial Statements (FFS). The amounts reflected in the Governmental Fund Statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the City Court's office operations.

The amounts reflected in the Governmental Fund Statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Revenues are generally recognized under the modified accrual basis of accounting when the related asset becomes both measurable and available.

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Reconciliation. A reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets is provided on page 15. A reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities is provided on page 17.

Budgets. The proposed budget for the 2010 fiscal year was made available for public inspection at the City Court's office on December 16, 2009. The budget is legally adopted and amended, as necessary, by the City Court Judge. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments, if applicable.

The budget for the General Fund is prepared on a basis that is consistent with generally accepted accounting principles (GAAP). However, the Court does not budget on-behalf payments (see Note 7); therefore, adjustments were made on page 28 to remove on-behalf payments from the actual amounts for comparison purposes to the budgeted amounts.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2010

Cash and Cash Equivalents. Cash includes amounts in demand deposits. Cash equivalents would include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Court may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and include Louisiana Asset Management Pool which is authorized under Louisiana Revised Statute 33:1321. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at market value. Interest is accrued as earned.

Capital Assets. Capital assets are capitalized at historical cost or estimated cost. The Court maintains a threshold level of \$2,500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives.

Description	Estimated Lives
Leasehold improvements	39
Furniture and fixtures	10
Equipment	5

Risk Management. The City Court is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City Court is covered by insurance provided by the City of Port Allen at levels which management believes is adequate to protect the City Court. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events. Subsequent events have been evaluated through June 25, 2011, which is the date the financial statements were issued.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2010

2. Cash

At December 31, 2010, the City Court of Port Allen has cash in demand deposit accounts with a book balance of \$362,975 including \$135,617 attributable to fiduciary funds, which is not presented in the statement of net assets.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2010, the Court has \$360,172 in deposits (collective bank balances). These deposits are secured from risk by federal deposit insurance.

3. Investments

As of December 31, 2010, the change in the Court's investments as reported as follows:

	Change in Investments	
	Amortized Cost	Fair Value
Balance, December 31, 2009	\$ 41,520	\$ 41,520
Add:		
Investment purchases	72	72
Total	41,592	41,592
Less-redemptions	-	-
Balance December 31, 2010	\$ 41,592	\$ 41,592

Investments held at the City Court of \$41,592 are invested in the Louisiana Asset Management Pool (LAMP), a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LLAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2010

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated as fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued**December 31, 2010****4. Capital Assets**

Capital assets and depreciation activity as of and for the year ended December 31, 2010 are as follows:

Governmental Activities	Balance January 1, 2010	Additions	Deletions	Balance December 31, 2010
Equipment	\$ 47,711	\$ -	\$ 2,790	\$ 44,921
Furniture and fixtures	19,281	-	-	19,281
Leasehold improvements	14,021	-	-	14,021
Total	81,013	-	2,790	78,223
Less accumulated depreciation:				
Equipment	41,588	4,005	2,637	42,956
Furniture and fixtures	11,326	1,928	-	13,254
Leasehold improvements	3,356	360	-	3,716
Total	56,270	6,293	2,637	59,926
Capital assets, net	\$ 24,743	\$ (6,293)	\$ 153	\$ 18,297

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2010

5. Retirement Commitments

Louisiana State Employees' Retirement System (LASERS)

Plan Description and Provisions. The City Court's Judge participates in the LASERS, a statewide cost sharing multiple employer defined benefit pension plan administered by a separate Board of Trustees. LASERS provides retirement, disability, and survivor benefits to plan members and beneficiaries. Benefits are established and amended by state statute. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana, 70804-4213, or by calling (225) 922-0600. Benefits granted by LASERS are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974.

Description of Funding Policy. The City Court Judge is required by State statute to contribute 11.5% of his annual covered salary and the Court is required to contribute at an actuarially determined rate. The current employer rate is 18.5% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Court's contributions to LASERS for the years ended December 31, 2010, 2009 and 2008, were \$7,918, \$6,455, and \$6,870 respectively, and were equal to the required contributions for each year.

6. Related Party Transactions

The City of Port Allen, Louisiana incurs expenditures on behalf of the Court. During the year ended December 31, 2010, the City paid the expenditures for other services and supplies in the amount of \$9,772 on behalf of the Court, which are not included in the accompanying financial statements.

The Court distributes a portion of all fines collected to the City. During the year ended December 31, 2010, the portion of fines collected by the Court, which were available for distribution to the City, totaled \$86,476. The Court has agreed to reimburse the City for a portion of two of the Court's employees. Under this agreement, the Court incurred cost of \$54,970.

CITY COURT OF PORT ALLEN, LOUISIANA

Notes to Financial Statements, Continued

December 31, 2010

7. On-Behalf Payments for Fringe Benefits and Salaries

In accordance with GASB Codification N50, *Non-exchange Transactions*, Sec. 129 on-behalf payments for fringe benefits and salaries are recognized as revenues and expenditures in these financial statements. The following on-behalf payments are shown as intergovernmental revenue in these financial statements. An equal amount has been included as expenditures in the personal services category.

City of Port Allen	\$ 90,480
State of Louisiana	42,250
West Baton Rouge Parish	<u>2,916</u>
	<u>\$ 135,646</u>

CITY COURT OF PORT ALLEN, LOUISIANA

Required Supplemental Information

December 31, 2010

CITY COURT OF PORT ALLEN, LOUISIANA

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - For the Year Ended December 31, 2010

Governmental Fund Type - General Fund

	Actual Basis	Adjustment to Budget Basis	Actual (Budgetary Basis)	Budget		Variance Favorable (Unfavorable)
				Original	Final	
Revenues						
Court fees, fines, and cost	\$ 271,244	\$ -	\$ 271,244	\$ 280,000	\$ 280,000	\$ (8,756)
Intergovernmental	153,842	(135,646) (1)	18,196	15,000	15,000	3,196
Interest	1,821	-	1,821	8,000	8,000	(6,179)
Total revenues	426,907	(135,646)	291,261	303,000	303,000	(11,739)
Ex accumulated depreciation of \$59,926						
Current						
General and administration	59,078	-	59,078	85,000	85,000	25,922
Travel	13,659	-	13,659	12,000	12,000	(1,659)
Dues and subscriptions	1,045	-	1,045	1,000	1,000	(45)
Office expense and maintenance	19,872	-	19,872	45,000	45,000	25,128
Personnel expenses	254,393	(135,646) (1)	118,747	100,000	100,000	(18,747)
Total current expenditures	348,047	(135,646)	212,401	243,000	243,000	30,599
Capital outlays	-	-	-	5,000	5,000	5,000
Total expenditures	348,047	(135,646)	212,401	248,000	248,000	35,599
Revenues Over (Under) Expenditures	78,860	-	78,860	55,000	55,000	23,860
Fund Balance						
Beginning	328,256	-	328,256	328,256	328,256	328,256
Ending	\$ 407,116	\$ -	\$ 407,116	\$ 383,256	\$ 383,256	\$ 352,116

Explanation of differences:

(1) On-behalf payments are reflected as revenue and an expenditure in the City Court's financial statement as required by GASB Statement No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. Actual amounts are reconciled on a non-GAAP basis for comparison to budget.



CALVIN L. ROBBINS, JR.

CERTIFIED PUBLIC ACCOUNTANT

(A PROFESSIONAL CORPORATION)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable William T. Kleinpeter, Judge
City Court of Port Allen, Louisiana

I have audited the financial statements of City Court of Port Allen, Louisiana, as of and for the year ended December 31, 2010, and have issued my report thereon dated June 25, 2011. I have conducted my audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered City Court of Port Allen, Louisiana's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City Court of Port Allen, Louisiana's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Bureau's control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified a deficiency in internal control over financial reporting that I considered to be significant deficiencies. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Significant Deficiency

1. An important element in designing an internal accounting control system that safeguards assets and reasonably insures the reliability of the accounting records is the concept of segregation of responsibilities. No one person should be assigned duties that would allow that person to commit an error or perpetrate fraud and to conceal the error or fraud. For example, the same person should not be responsible for any two of the following functions:

- 1) Authorization of a transaction;
- 2) Recording of the transaction; and
- 3) Custody of assets involved in the transaction.

Due to the small size of the organization, a proper segregation of duties is not possible with respect to cash transactions.

Entity Response

Management believes it is not practical or cost effective to correct this weakness. This is a repeat finding.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, I believe that the significant deficiency reported in Item 1 above is a material weakness. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City Court of Port Allen, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The City Court of Port Allen, Louisiana's managements' responses to the deficiencies identified in our audit are described above. I did not audit those responses and accordingly express no opinion on them.

This report is intended solely for the information of the Judge of the City Court of Port Allen, Louisiana, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in dark ink, appearing to read "Carl J. Robb, Jr.", with a stylized flourish at the end.

Certified Public Accountant
(A Professional Corporation)

June 25, 2011
Baton Rouge, Louisiana